

**PROPERTY ASSESSMENT APPEAL BOARD**  
**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER**

PAAB Docket No. 2019-107-00275R

Parcel No. 8847-06-256-001

**Andrew Limoges,**

Appellant,

vs.

**Sioux City Board of Review,**

Appellee.

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**Introduction**

This appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on March 17, 2020. Andrew Limoges was self-represented. Attorney Nikki Nobbe represented the Sioux City Board of Review.

Limoges owns a residential property located at 3802 5th Avenue, Sioux City, Iowa. The property's January 1, 2019 assessed value was set at \$167,600, allocated as \$26,200 in land value and \$141,400 in dwelling value. (Ex. A).

Limoges petitioned the Board of Review claiming the subject property's assessment was not equitable as compared to other like property. Iowa Code § 441.37(1)(a)(1). (Ex. C). The Board of Review denied the petition. (Ex. B). Limoges reasserted his claim to PAAB.

**General Principles of Assessment Law**

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2017). PAAB is an agency and the provisions of the Administrative Procedure Act apply to it. Iowa Code § 17A.2(1). This appeal is a contested case.

§ 441.37A(1)(b). PAAB considers only those grounds presented to or considered by the Board of Review, but determines anew all questions arising before the Board of Review related to the liability of the property to assessment or the assessed amount.

§§ 441.37A(1)(a-b). New or additional evidence may be introduced, and PAAB considers the record as a whole and all of the evidence regardless of who introduced it.

§ 441.37A(3)(a); *see also Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct.

§ 441.37A(3)(a). However, the taxpayer has the burden of proof. § 441.21(3). This burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Richards v. Hardin County Bd. of Review*, 393 N.W.2d 148, 151 (Iowa 1986).

## **Findings of Fact**

The subject property is a 0.225-acre site with a two-story home built in 1915. It has 2085 square feet of gross living area, two full bathrooms, a covered porch, a fireplace, and a 1440-square-foot detached garage built in 1998. It is of average quality construction (grade 4+10) and is listed in above-normal condition. (Ex. A). The home has between 40% and 54% physical depreciation applied to the assessment.

Limoges purchased the property in January 2017 for \$135,000; it is recorded as a normal arm's-length transaction. (Ex. A). He appealed his January 1, 2017 assessment to PAAB and we found his purchase price to be the most persuasive evidence in that record of the subject's market value at that time. *Limoges v. Sioux City Board of Review*, PAAB Docket No. 2017-107-00214R (April 5, 2018). Limoges again submitted the appraisal developed by Randy Plagman for financing which opined a market value as of December 23, 2016. (Ex. 13). He acknowledged however the appraisal is now stale and his property is now worth more than \$135,000. We agree and give no further consideration to the appraisal or sale price.

Limoges also submitted ten 2018 and 2019 sales of two-story homes in central Sioux City of similar age as the subject. (Ex. 1). He noted the average increase in assessed values of these homes between 2017 and 2019 was 5.96% while his property increased 24.15%. For this reason he contends his assessment is inequitable and

should have increased only by 5.96%, resulting in a valuation of \$143,050. Aside from the removal of a tree, he testified there have been no improvements or other changes to his property since the last assessment.

Of the ten sales submitted, three transferred with no consideration (Exs. 4, 5 & 7), one was a two-family conversion (Ex. 10), and one involved a foreclosure followed by demolition and a subsequent sale. (Ex. 11). We consider these sales to involve abnormal transactions that have not been adjusted to eliminate the impact this may have on their market values. § 441.21(1). For that reason we give them no further consideration.

Limoges' remaining five comparable sales are summarized in the table below.<sup>1</sup> (Exs. 3, 6, 8, 9 & 12).

Address	Gross Living Area (SF)	Garage (SF)	Condition	Assessed value	Sale price	Ratio
Subject	2085	1440	Above Normal	\$167,600	-	-
1-1724 S. Clinton	1290	704	Very Good	\$149,200	\$140,000	1.07
2-3815 4 <sup>th</sup> Ave	2230	720	Very good	\$154,500	\$158,000	0.98
3-3900 Orleans	1785	660	Very good	\$155,500	\$150,000	1.04
4-3909 6 <sup>th</sup> Ave	1872	576	Above Normal	\$133,700	\$146,500	0.91
5-4509 3 <sup>rd</sup> Ave	1531	240	Normal	\$96,100	\$92,500	1.04

Sales 1, 3, 4 and 5 sold in 2018; Sale 2 sold in 2019. All of the sales are similar in age and style to the subject. All are of similar, but mostly lower condition than the subject. The Beacon sheets submitted by Limoges do not contain a quality of construction or grade assignment. The subject is one of the largest homes and has the largest garage; double the size of the comparables. Limoges' garage alone adds \$28,190 of depreciated value to his assessment. (Ex. A, p. 3). Only Sale 1 has two full bathrooms like the subject. Sales 2 and 4 do not have a fireplace, like the subject. The subject's fireplace has a base value of \$5,100 (Ex. A, p. 3). These factors, together with his larger living area explain the differences in assessments when compared to his sales. We find Limoges' requested value of \$143,050 would place his assessment

<sup>1</sup> Related to Limoges' assertion his property's assessment should not increase at a greater rate than comparable properties, we note that each of these properties received larger assessment increases than the subject between 2016 and 2017.

below the sales prices and assessments of properties that are inferior to the subject property. The assessment/sale ratios indicate an average of 1.01 which is indicative of assessments at or near market value.

Sale 2 was also submitted by the Board of Review and Limoges agreed it was very comparable to his home. (Ex F). This property sold in April of 2019 for \$158,000, \$9,000 less than the subject's assessed value, but it is slightly older, lacks a fireplace and its garage is half the size of the subject's.

Limoges did not offer any adjustments to these sales for differences relative to the subject, an appraisal, or a comparative market analysis. We find adjustments are necessary to offer a reliable opinion of the subject property's fair market value.

The Board of Review submitted five equity comparables with similar year built, similar living area and the same grade as the subject. (Ex. D). It contends these properties are more comparable than Limoges' comparables. Limoges was critical of the comparables noting only two were two-story frame homes like the subject; and the remainder were one-and-a-half-story or brick homes. The assessed values of these properties ranged from \$154,500 to \$219,300, bracketing the subject's assessment. The Board of Review analyzed the comparables on an assessed-value-per-square-foot basis and noted the subject's value on this basis was below the average. We note only two of the Board of Review's comparables had recently sold: 3815 4<sup>th</sup> Avenue sold in April 2019 for \$158,000 and 3909 3<sup>rd</sup> Avenue sold in October 2018 for \$219,300. (Ex. F & H).

The two-story frame properties shown in Exhibit D have assessments of \$154,500 (Ex. F) and \$160,200 (Ex. G); below the subject's current assessed value. The first comparable, 3822 4<sup>th</sup> Avenue, is slightly larger than the subject, but has no fireplace and much smaller and older detached garage. (Ex. F). The second comparable, 3822 4<sup>th</sup> Avenue, is slightly larger than the subject, but only has one bathroom and has no air conditioning or garage. (Ex. G).

### **Analysis & Conclusions of Law**

Limoges asserts his property is inequitably assessed. Limoges bears the burden of proof. § 441.21(3).

Under section 441.37(1)(a)(1), a taxpayer may claim that their “assessment is not equitable as compared with assessments of other like property in the taxing district.” Limoges agreed his property’s market value increased from 2017 to 2019, but he disagreed with the amount of change in his assessment. Limoges relies on a comparison of the rate of change in assessments in support of his claim, but comparing the rate of change in assessed value between the subject and other properties is not a recognized method for showing inequity in the assessment.

To prove inequity, a taxpayer may show an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993). Limoges offered no evidence demonstrating the Assessor applied an assessing method in a non-uniform manner.

Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shivers*, 257 Iowa 575, 133 N.W.2d 709 (Iowa 1965). The *Maxwell* test provides that inequity exists when, after considering the actual and assessed values of comparable properties, the subject property is assessed at a higher proportion of its actual value. *Id.* This is commonly done through an assessment/sales ratio analysis comparing prior year sales (2018) and current year assessments (2019) of the subject property and comparable properties. It is insufficient to simply compare the subject property’s assessed value to the assessments of other properties or to compare the assessed value per square foot amongst properties.

Limoges submitted five properties, four of which sold in 2018 and one that sold in early 2019. We find 3815 4th Ave. the most similar property to the subject in the record and sold for \$158,000 in April 2019. As compared to the subject, it is of similar size and design, but it lacks a fireplace and a large garage. This suggests the subject’s market value would not be below \$158,000.

Although the record includes sales ratios for comparable properties, ultimately, the *Maxwell* analysis cannot be completed because it also requires a showing of the subject’s value as compared to its current assessment. Limoges did not offer adjustments to any of the sales to account for the differences to the subject and we find

the sales offered require adjustments to offer a reliable opinion of the subject property's market value. The subject property has not recently sold, nor did Limoges offer evidence of its January 1, 2019, market value that is consistent with section 441.21.<sup>2</sup> Thus, the record is insufficient to apply the *Maxwell* test.

Viewing the record as a whole, we find Limoges failed to prove the subject property's assessed value is inequitable.

### **Order**


PAAB HEREBY AFFIRMS the Sioux City Board of Review's action..

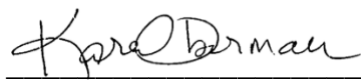
This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2019).

Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A.

  
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Dennis Loll, Board Member

  
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Elizabeth Goodman, Board Member

  
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Karen Oberman, Board Member

<sup>2</sup> Iowa Code section 441.21 requires that a property's assessed value be determined, first and foremost, by sales of the subject property or comparable properties. When necessary, adjustments must be made to the sales for differences between the comparable sales and the subject. *Soifer v. Floyd Cnty. Bd. of Review*, 759 N.W.2d 775, 783 (Iowa 2009).

Copies to:

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